The International Workbook

3 MISTAKES MOST COMAPNIES MAKE WHEN ENTERING U.S.

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3 Mistakes Made When Entering The U.S. Market

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Entering the U.S. market is full of promise and opportunity. The U.S. market is one of the most accessible markets to begin to sell your products or service in but one of the hardest to build a successful business. Your goal of internationalization should not be to enter a market but to build a business in that market. When you are ready to enter the U.S. market, your thoughts and strategy must align with that goal.

Estimates have product failures at between 75% to 90%. In comparison, nearly 80% of all grocery, drug, and mass-market items fail within one year of introduction within the U.S. These ugly stats hold with U.S.-based products and products coming in from other countries into the U.S. market. Many products fail due to a lack of planning from the manufacturer and limited buy-in from the market. We have identified the three most common mistakes a company makes when entering the U.S. market, and outlined here is this paper.

Mistake # 1: Lack of Market Strategy

Your products tell a story, and that story will help your product sell. The success of any product relies on planning, creating goals, and developing a unique selling proposition. We often see clients from many parts of the world that do not have these strategy questions answered. Clients with great products from Brazil, South Africa, China, Argentina, Mexico, and France, have great ambition but lack strategy. International marketers are experts in the products they want to bring into the U.S. marketplace, but U.S. consumers do not understand what they are trying to sell.

Their products are not talking to the consumer. Their products lack a strategy. Consumers globally are searching for your products. A consumer will always research a new product entering the U.S. market.

Treat the U.S. consumer like a U.S. consumer. Most new consumers will get their opinion from someone who has used the new product before. U.S. consumers like to know that they will buy a reliable product and that the new _product meets their needs. They will buy your product once, but they will not accept your product twice if they are fooled. Please deliver what you promise and make it count.

Changing the language to help English speakers will not allow them to understand your products and services. The U.S. is a different culture, not a different language.

Your company needs to understand these differences and how they stack up against the rest of the market. Research the intended target market and understand any specific consumer and supplier needs. It's good to understand the commercial side of the business, but what about the end-users who will pay for your product?

Your product may need changes that will help your level of success, and your team may need enhancement to help you execute the strategy.

Mistake #2: Lack of Professional Market Experts

Building a business is not a sure thing and developing a product is even less of a sure thing. Only four percent of new products succeed annually

regardless of who supports them. To make a product grow requires many variables that are working at the same time. An intelligent marketer understands these risks but will always work to measure the risks vs. the rewards. The proper execution of the strategy will be one key to success. This execution will require a market expert to help you in the target market. The cost of the hired expert often pays off in the long term because it will help you save thousands of dollars in unnecessary mistakes and implementation errors.

Most business requires careful planning and proper execution. The combination of a winning product and a detailed plan will lead to a higher level of success. Planning a business is the process of deciding what the individual wants to get out of the business. Occasionally, we experience companies that hire a friend, a relative, or someone they like to help them run their business and execute their strategy. This is a feel-good option for the business owner but frequently leads to a bad experience and lack of results. Keep these individuals as sounding boards but don't make them your business executive in the U.S. unless, of course, they are highly qualified to get the job done. Hiring your cousin to run your business in the U.S. is not the way to build your business unless your cousin is more successful at building businesses than you.

It is easy to open up a business in the U.S. Once the legal certifications are acquired, a website is built, and a business card is made - anyone is officially in business. The key to building a business in the U.S. is to have a plan from the beginning.

Businesses require business and marketing strategy plans. Failure is the more likely outcome of a great product. It does not have a great marketing plan to support it. Building a business starts with a great product or service, and keeping the business going requires a good management team. The key to having a successful business is not just getting it right one time but keeping it right all the time. A market expert and market professional will help develop projects and ideas to help the company grow. They can organize time so that it will be used effectively. Most importantly, they will follow through on details and things that need to get done.

Mistake # 3: Lack of Finances

As the expression goes, "It takes money to make money!' It takes money to be successful in the U.S. market. The U.S. market is easy to get started in but challenging to stay in. Just like your company, there are thousands of other companies working on getting into this market every week. Some of them)6. will make these common mistakes, but others will do it the right way.

This includes managing your expenses and your start-up capital. Fees will kill any business. Overhead is considered a sunk cost in the business world, and managing your initial overhead is vital to building a business.

The average business will need to work the U.S. market twelve to eighteen months before they start to see some returns. It is during this crucial start-up period that most companies fail. This start-up formula is simple: Don't let your expenses be more than your revenue.

Companies come into the U.S. market with little understanding of how much capital they need to keep their business going and for how long. We have seen companies open large beautiful offices with no customers, they import a container of products with no market, and they have seen companies hire their friends and relatives with no business experience. All of these unnecessary cost start to add up when starting a business in the U.S. market. Keep the cost down but manage your expenses so that your spending makes financial reason. Invest in professionals to help you manage your strategy and minimize your costs. Often companies that enter into the U.S. market find a cheap way to do things but find out that the inexpensive way ends up being very costly in the end.

We have seen companies buy inexpensive services that fail when they need them the most and fight for pennies only to cost them dollars in the end. Relying on the wrong type of help will not improve your chance of success. Manage your expenses carefully but spend wisely.